

Message Text

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ACTION EUR-12

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LIMITED OFFICIAL USE OTTAWA 10272

DEPT FOR OES/NET; EUR/CAN
DEPT PLEASE PASS DOE FOR SIEVERING

E.O. 11652: N/A
TAGS: TGEN, CA
SUBJECT: FOREIGN OWNERSHIP IN CANADIAN URANIUM MINES

1. SUMMARY: CONTRARY TO REPORTS IN U.S. MEDIA, (EXAMPLE:
"NUCLEAR FUEL"--NOVEMBER 28, 1977), GOC HAS NOT PROPOSED
INCREASING PERCENTAGE OF FOREIGN OWNERSHIP IN URANIUM
MINES ABOVE 33 PERCENT. HOWEVER, GOC IS CONSIDERING IN-
CREASING PERCENTAGE A SINGLE FOREIGN COMPANY CAN HOLD FROM
PRESENT TEN TO THIRTY-THREE PERCENT, ACCORDING TO EXTAFF.
END SUMMARY.

2. IN ENERGY, MINES AND RESOURCES (EMR) POLICY STATEMENT
OF MARCH 1970 FOREIGN PARTICIPATION IN URANIUM MINES WAS
TO BE LIMITED TO 33 PERCENT. A SUB-SET OF THIS POLICY
WAS THAT NO ONE FOREIGN COMPANY COULD OWN MORE THAN TEN
PERCENT. HOWEVER, THIS POLICY STATEMENT WAS NEVER ENACTED
INTO LAW AND HAS ONLY SERVED AS A "GUIDELINE." THE FOR-
EIGN INVESTMENT REVIEW AGENCY (FIRA) HAS BEEN USING THESE
GUIDELINES.

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3. SINCE 1970 AT LEAST FIVE DRAFTS OF SUCH A LAW HAVE
BEEN DRAWN BUT NOT ACTED UPON BY PARLIAMENT. EXTAFF OF-
FICIAL TOLD EMBOFF ON DECEMBER 8, 1977, THAT THERE IS
STILL SOME HOPE THAT BILL MIGHT BE INTRODUCED IN CURRENT
SESSION, BUT EXPRESSED PERSONAL DOUBT THAT IT WILL HAPPEN.

4. PROBLEM OF ATTRACTING FOREIGN CAPITAL TO URANIUM INDUSTRY HAS CAUSED GOC TO CONSIDER RAISING FOREIGN LIMIT OF ONE COMPANY FROM TEN PERCENT TO THE FULL 33 PERCENT.

5. ONE SENIOR EMR OFFICIAL HAS EXPRESSED PERSONAL OPINION TO EMBOFF THAT GOC ALSO WILL HAVE TO BACK OFF FROM THE 33 PERCENT LIMIT. "HARD-LINERS" IN GOC, HOWEVER, SAY THIS WILL NEVER HAPPEN.

6. COMMENT: A GOOD POSSIBILITY IS THAT GOC WILL HOLD OFF ENACTMENT OF ANY LAW, RAISE CURRENT GUIDELINE FOR SINGLE COMPANY PARTICIPATION FROM 10 TO 33 PERCENT, AND THEN WAIT AND SEE. IF FUNDS ARE NOT FORTHCOMING TO DEVELOP NECESSARY URANIUM MINES GOC MAY THEN RAISE 33 PERCENT LIMIT. ENDERS

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENTS, MINING INDUSTRY, URANIUM
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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